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DEPARTMENT OF THE TREASURY

Alcohol and Tobacco Tax and Trade Bureau

27 CFR Part 9

[Docket No. TTB–2015–0004; Notice No. 148]

RIN 1513–AC11

Proposed Establishment of the Los Olivos District Viticultural Area

AGENCY: Alcohol and Tobacco Tax and Trade Bureau, Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Alcohol and Tobacco Tax and Trade Bureau (TTB) proposes to establish the approximately 22,820-acre “Los Olivos District” viticultural area in Santa Barbara County, California. The proposed viticultural area lies entirely within the Santa Ynez Valley viticultural area and the larger, multicounty Central Coast viticultural area. TTB designates viticultural areas to allow vintners to better describe the origin of their wines and to allow consumers to better identify wines they may purchase. TTB invites comments on this proposed addition to its regulations.

DATES: Comments must be received by **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Please send your comments on this document to one of the following addresses:

- **Internet:** <http://www.regulations.gov> (via the online comment form for this document as posted within Docket No. TTB–2015–0004 at “Regulations.gov,” the Federal e-rulemaking portal);

- U.S. Mail: Director, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW., Box 12, Washington, DC 20005; or

- Hand delivery/courier in lieu of mail: Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW., Suite 200–E, Washington, DC 20005.

See the **Public Participation** section of this document for specific instructions and requirements for submitting comments, and for information on how to request a public hearing or view or request copies of the petition and supporting materials.

FOR FURTHER INFORMATION CONTACT: Karen A. Thornton, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW., Box 12, Washington, DC 20005; phone 202–453–1039, ext. 175.

SUPPLEMENTARY INFORMATION:

Background on Viticultural Areas

TTB Authority

Section 105(e) of the Federal Alcohol Administration Act (FAA Act), 27 U.S.C. 205(e), authorizes the Secretary of the Treasury to prescribe regulations for the labeling of wine, distilled spirits, and malt beverages. The FAA Act provides that these regulations should, among other things, prohibit consumer deception and the use of misleading statements on labels and ensure that labels provide the consumer with adequate information as to the identity and quality of the product. The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers the FAA Act pursuant to section 1111(d) of the Homeland Security Act of 2002,

codified at 6 U.S.C. 531(d). The Secretary has delegated various authorities through Treasury Department Order 120–01 (Revised), dated December 10, 2013, to the TTB Administrator to perform the functions and duties in the administration and enforcement of this law.

Part 4 of the TTB regulations (27 CFR part 4) authorizes TTB to define viticultural areas and sets out requirements for the use of their names as appellations of origin on wine labels and in wine advertisements. Part 9 of the TTB regulations (27 CFR part 9) sets forth standards for the preparation and submission to TTB of petitions for the establishment or modification of American viticultural areas (AVAs) and lists the approved AVAs.

Definition

Section 4.25(e)(1)(i) of the TTB regulations (27 CFR 4.25(e)(1)(i)) defines a viticultural area for American wine as a delimited grape-growing region having distinguishing features, as described in part 9 of the regulations, and a name and a delineated boundary, as established in part 9 of the regulations. These designations allow vintners and consumers to attribute a given quality, reputation, or other characteristic of a wine made from grapes grown in an area to the wine's geographic origin. The establishment of AVAs allows vintners to describe more accurately the origin of their wines to consumers and helps consumers to identify wines they may purchase. Establishment of an AVA is neither an approval nor an endorsement by TTB of the wine produced in that area.

Requirements

Section 4.25(e)(2) of the TTB regulations (27 CFR 4.25(e)(2)) outlines the procedure for proposing an AVA and provides that any interested party may petition TTB to establish a grape-growing region as an AVA. Section 9.12 of the TTB regulations (27 CFR 9.12) prescribes the standards for petitions requesting the establishment or modification of AVAs. Petitions to establish an AVA must include the following:

- Evidence that the region within the proposed AVA boundary is nationally or locally known by the AVA name specified in the petition;
- An explanation of the basis for defining the boundary of the proposed AVA;
- A narrative description of the features of the proposed AVA affecting viticulture, such as climate, geology, soils, physical features, and elevation, that make the proposed AVA distinctive and distinguish it from adjacent areas outside the proposed viticultural AVA;
- The appropriate United States Geological Survey (USGS) map(s) showing the location of the proposed AVA, with the boundary of the proposed AVA clearly drawn thereon; and
- A detailed narrative description of the proposed AVA boundary based on USGS map markings.

Los Olivos District Petition

TTB received a petition from C. Frederic Brander, owner and winemaker of the Brander Vineyard, proposing the establishment of the approximately

22,820-acre “Los Olivos District” AVA in Santa Barbara County, California.

There are 12 bonded wineries and approximately 47 commercially producing vineyards covering a total of 1,120 acres within the proposed AVA. According to the petition, the distinguishing features of the proposed Los Olivos District AVA include its topography, soils, and climate. Unless otherwise noted, all information and data pertaining to the proposed AVA contained in this document are from the petition for the proposed Los Olivos District AVA and its supporting exhibits.

The proposed Los Olivos District AVA includes the towns of Los Olivos, Solvang, Ballard, and Santa Ynez. The proposed AVA lies entirely within the Santa Ynez Valley AVA (27 CFR 9.54), which, in turn, lies within the larger, multicounty Central Coast AVA (27 CFR 9.75). The proposed Los Olivos District AVA shares its western boundary with the eastern boundary of the Ballard Canyon AVA (27 CFR 9.230) and its eastern boundary with the western boundary of the Happy Canyon of Santa Barbara AVA (27 CR 9.217), but it does not overlap either of these AVAs.

Name Evidence

In the late 1800s, Alden March Boyd purchased land in Santa Barbara County and planted a 5,000-tree olive grove he named “Rancho Los Olivos.” The community that grew up nearby took the name “Los Olivos,” after Boyd’s ranch. The proposed Los Olivos District AVA takes its name from the ranch and the town, both of which are located within the boundaries of the proposed AVA. The town and the ranch appear on the USGS Los Olivos quadrangle map. The town of Los Olivos also appears on a road map of Santa Barbara County,

published by the American Automobile Association, which was included with the petition.

Name evidence for the proposed AVA is supported by the fact that several businesses use the moniker “Los Olivos” in their names, including the Los Olivos Grand Hotel, the Gallery Los Olivos, the Los Olivos Café, and the Los Olivos Grocery. Additionally, several public institutions that serve residents within the proposed AVA use the name “Los Olivos,” including the Los Olivos Library, the Los Olivos Post Office, and the Los Olivos Elementary School.

Boundary Evidence

The boundary of the proposed Los Olivos District AVA separates the low, relatively flat plain that comprises the proposed AVA from the higher elevations and more rugged and mountainous terrain that surround the proposed AVA in all directions. The northern portion of the proposed boundary follows the 1,000-foot elevation contour through the lower foothills of the San Rafael Mountains and approximates the point above which marine fog does not reach. The eastern portion of the proposed boundary follows straight lines drawn between points shown on the USGS maps and separates the proposed AVA from the canyon lands of the Happy Canyon of Santa Barbara AVA. The southern portion of the proposed boundary follows the Santa Ynez River and separates the proposed AVA from the Santa Ynez Mountains and the Los Padres National Forest. The western portion of the proposed boundary follows several roads and straight lines drawn between points on the USGS maps and separates the proposed AVA from the canyon lands of the Ballard Canyon AVA to the west.

Distinguishing Features

The distinguishing features of the proposed Los Olivos District AVA include its topography, soils, and climate.

Topography

According to the petition, the proposed Los Olivos District AVA is located on the only broad alluvial terrace plain of the Santa Ynez River. The topography of the proposed AVA is relatively uniform, with nearly flat terrain that gently slopes downward to the south. Elevations within the AVA range from approximately 400 feet in the southern portion of the proposed AVA, along the Santa Ynez River, to 1,000 feet in the northern portion, in the foothills of the San Rafael Mountains.

The petition discusses the benefits that the relatively flat, uniform topography of the proposed AVA has for viticulture. The lack of steeply sloped terrain minimizes the risk of erosion, allows vineyard owners more options to space vines and orient rows, and facilitates mechanical harvesting and tilling. The flat, open terrain also allows vineyards within the proposed AVA to receive uniform amounts of sunlight, rainfall, and temperature-moderating fog because there are no significant hills or mountains within the proposed AVA to block the rainfall and fog or to shade the vineyards.

The proposed Los Olivos District is surrounded by higher elevations and mountainous terrain in all directions. To the north are the San Rafael Mountains, with steep slopes and elevations reaching over 2,000 feet. To the east is the Happy Canyon of Santa Barbara AVA, which is marked by steeper terrain, rolling

hills, and canyons. Elevations within the portion of the Happy Canyon of Santa Barbara AVA immediately adjacent to the proposed AVA reach heights of 1,600 feet. To the south of the proposed AVA are the Santa Ynez Mountains and the Los Padres National Forest, which have elevations reaching over 3,000 feet and steep, rugged terrain unsuitable for commercial viticulture. To the west of the proposed AVA is the Ballard Canyon AVA, which has rolling hills, maze-like canyons, and elevations reaching 1,200 feet.

Soils

Over 95 percent of the soils within the proposed Los Olivos District AVA are from the Positas–Ballard–Santa Ynez soil association and are derived from alluvium, including Orcutt sand and terrace deposits. The soils are moderately to well-drained gravelly fine sandy loams and clay loams with low to moderate fertility.

According to the petition, the soils found in the proposed Los Olivos District AVA are well-suited for viticulture. The soils drain well enough that the vines are not susceptible to root disease and chlorosis but do not drain so excessively as to require frequent irrigation. Soil nutrient levels within the proposed AVA are adequate to produce healthy vines and fruit without promoting excessive growth. Finally, the uniformity of the soils throughout the proposed Los Olivos District AVA results in a greater consistency in growing conditions for vineyards than is found in regions with greater soil variations.

To the north of the proposed Los Olivos District AVA, within the San Rafael Mountains, approximately 95 percent of the soils are of the Chamise–

Arnold–Crow Hill association, which is described as well-drained to excessively drained and very low to moderately fertile. To the east and south of the proposed AVA, the soils are more diverse. Within the Happy Canyon of Santa Barbara AVA, to the east of the proposed AVA, approximately 40 percent of the soils are from the Positas–Ballard–Santa Ynez association. The remaining 60 percent of the soils are from the Chamise–Arnold–Crow Hill, the Shedd–Santa Lucia–Diablo, and the Toomes–Climara associations, which are all well-drained to excessively drained and range from very low to highly fertile. To the south of the proposed AVA, within the Santa Ynez Mountains, approximately 60 percent of the soils are from the Los Osos–Gaviota association, which is described as well-drained to excessively drained and very low to moderately fertile. The remaining 40 percent of the soils is a combination of soils from Shedd–Santa Lucia–Diablo association and sedimentary rock that is not suitable for viticulture. To the west, within the Ballard Canyon AVA, approximately 95 percent of the soils are from the Chamise–Arnold–Crow Hill association, which are characterized as being well-drained to excessively drained and having very low to moderately low fertility.

Climate

Within the Central Coast AVA, where the proposed Los Olivos District AVA is located, temperatures are affected by cooling marine fog. Locations close to the Pacific Ocean have heavy marine fog, while locations farther inland,

such as the proposed AVA, receive less fog. In general, marine fog contributes to cool daytime temperatures and warm nighttime temperatures. Because the proposed Los Olivos District AVA is located about 30 miles inland from the Pacific Ocean, much of the marine fog has diminished by the time it reaches the proposed AVA in the late afternoon. However, enough fog remains to moderate the evening and nighttime temperatures. Due to the flat, open topography, the fog circulates freely throughout the entire proposed AVA.

In locations where fog is present throughout most of the day, the difference between the daily high and daily low temperatures (diurnal temperature variation) is usually smaller than in regions where fog is less prevalent because fog lowers the daytime temperatures and warms the nighttime temperatures. The following table shows the average monthly diurnal temperature variation during the growing season measured at weather stations in the proposed Los Olivos District AVA and in regions to the east and west. Data was not available for locations to the north and south of the proposed AVA.

Average Monthly Diurnal Temperature Variation (Degrees Fahrenheit)				
Month	Lompoc ¹ (West of	Ballard Canyon AVA ²	Santa Ynez ³ (Within	Cachuma Lake ⁴ (East of

¹ Source: Western Regional Climate Center period of record monthly climate summary, 1917-present. See www.wrcc.dri.edu.

² Source: Petition to Establish the Ballard Canyon AVA; data collected from 2005, 2008, and 2009. See <http://www.regulations.gov/#!documentDetail;D=TTB-2013-0001-0002>.

	proposed AVA)	(West of proposed AVA)	proposed AVA)	proposed AVA)
April	23	28	30	29.6
May	20.5	30	28.5	30.8
June	20	33	29.6	34.6
July	19.1	37	30.5	38.4
August	19.3	38	31.9	38.1
September	22.1	37	32.8	36.9
October	25.5	33	34.0	34.2

The data shows that the proposed Los Olivos District AVA generally has smaller average monthly diurnal temperature variations than the region farther inland (Cachuma Lake) and greater average monthly variations than the region closer to the coast (Lompoc). Lompoc, which is located only 9 miles from the Pacific Ocean, has smaller average monthly diurnal temperature variations than the proposed AVA because the marine fog is heavy throughout the entire day, keeping daytime highs cool and allowing for only small drops in nighttime temperatures. From May through September, Cachuma Lake has greater average monthly diurnal temperature variations than the proposed AVA because the lake is farther from the ocean (approximately 36 miles). The marine fog has largely dissipated by the time it reaches Cachuma Lake, allowing daytime temperatures to rise higher and nighttime temperatures to drop lower than within the proposed AVA. During April and October, fog is lighter and occurs less frequently within the proposed AVA, so the diurnal temperature variations within

³ Source: California Irrigation Management Information System Weather Station #64, Santa Ynez, from 1986-present. See University of California IPM Online at www.ucipm.ucdavis.edu/WEATHER/index.html.

⁴ Source: Western Regional Climate Center period of record monthly climate summary, 1951-present. See www.wrcc.dri.edu.

the proposed AVA are similar to those at Cachuma Lake. The Ballard Canyon AVA is closer to the ocean than the proposed AVA, but the hills and canyons block much of the fog from entering the Ballard Canyon AVA. As a result, the Ballard Canyon AVA has generally greater diurnal temperature variations than the proposed Los Olivos District AVA.

According to the petition, diurnal temperature variations during the growing season affect viticulture. Warm daytime temperatures encourage fruit maturation and sugar production, and cool nighttime temperatures minimize acid loss. Therefore, grapes in regions with large diurnal temperature variations ripen faster and have higher levels of sugar and acid than regions with smaller diurnal temperature variations. Additionally, because regions with large diurnal temperature variations generally have less fog, grapes in those regions are not at as great a risk of mildew or fungal diseases as areas with heavier fog and smaller diurnal temperature variations.

The petition also included a summary of growing degree day (GDD) data⁵ gathered during the 2007–2012 growing seasons for the proposed Los Olivos District AVA and the regions to the north, east, and west. Data was not available for the region to the south.

Summary of Growing Degree Days (Degrees Celsius)							
Location (Direction from proposed AVA)	2007	2008	2009	2010	2011	2012	Average

⁵ Growing Degree Day data was measured using the University of California Cooperative Extension method, which collects temperature data hourly in degrees Celsius. One GDD unit accumulates for each degree Celsius the hourly temperature reading is over the baseline of 10 degrees Celsius, the temperature below which there is virtually no growth in grape vines.

Proposed Los Olivos District AVA	1,534	1,688	1,652	1,406	1,479	1,617	1,563
Ballard Canyon AVA (West)	1,140	1,546	1,540	1,314	1,397	1,494	1,450
Happy Canyon of Santa Barbara AVA (East)	1,592	1,743	1,697	1,443	1,525	1,629	1,605
San Rafael Mountains (North)	1,748	1,952	1,850	1,521	1,587	1,753	1,735

The data shows that the proposed Los Olivos District AVA has more growing degree days than the region to the immediate west and fewer than the regions to the north and east. According to the petition, GDD accumulation influences the grape varieties grown in a region. Warm regions typically grow Bordeaux and Rhone varieties, such as cabernet sauvignon and syrah, both of which are commonly grown within the proposed AVA. Additionally, warm temperatures promote vigorous vine growth and large leaf canopies, which affect decisions on row spacing, trellis design, pruning, and canopy management.

Summary of Distinguishing Features

In summary, the topography, soils, and climate of the proposed Los Olivos District AVA distinguish it from the surrounding regions. The proposed AVA is located on a broad alluvial plain. The terrain is open and flat, which reduces the risk of erosion and allows for the use of mechanized harvesting and tilling equipment in the vineyards. The open terrain also allows thin marine fog to circulate freely through the proposed AVA. The fog moderates temperatures, preventing the grapes from developing levels of sugars and acids that are too high. The moderate temperatures allow for a growing degree day accumulation

that is high enough to grow warm climate varietals, including cabernet sauvignon and syrah. Finally, the soils within the proposed AVA are moderately drained to well-drained and have low to moderate fertility levels. As a result, vines are at a low risk for root disease or excessive growth, and vineyards do not require frequent irrigation.

To the north, the high elevations of the San Rafael Mountains are above the fog line, and the terrain is higher, steeper, and more susceptible to erosion than the flat, gently sloping terrain of the proposed Los Olivos District AVA. To the east, the canyons and steeper terrain of the Happy Canyon of Santa Barbara AVA prevent marine fog from entering the AVA, resulting in higher GDD accumulations than within the proposed AVA. Additionally, the steepness of the terrain makes mechanized harvesting and tilling less practical than within the proposed AVA. To the south, the Santa Ynez Mountains and the Los Padres National Forest have high, rugged, steep terrain and rocky soils, making the region less suitable for viticulture than the proposed AVA. To the west, the Ballard Canyon AVA has rolling hills and maze-like canyons that block much of the marine fog from entering, resulting in greater average diurnal temperature variations than within the proposed AVA.

Comparison of the Proposed Los Olivos District AVA to the Existing Santa Ynez Valley and Central Coast AVAs

Santa Ynez Valley AVA

The Santa Ynez Valley AVA was established by T.D. ATF-132, which was published in the **Federal Register** on April 15, 1983 (48 FR 16252). The Santa

Ynez Valley AVA encompasses the Sta. Rita Hills AVA, the Ballard Canyon AVA, and the Happy Canyon of Santa Barbara AVA, as well as the proposed Los Olivos District AVA. According to T.D. ATF-132, the Santa Ynez Valley AVA is a valley that surrounds the Santa Ynez River and is bound by the Purisima Hills and San Rafael Mountains to the north, Cachuma Lake to the east, the Santa Ynez Mountains to the south, and the Santa Rita Hills to the west. Vineyards are planted on elevations ranging from 200 feet along the Santa Ynez River to 1,500 feet in the foothills of the San Rafael Mountains. The Santa Ynez Valley AVA has seven major soil associations, but vineyards are primarily planted on soils from the Positas-Ballard-Santa Ynez, Chamise-Arnold-Crow Hill, Shedd-Santa Lucia-Diablo, and Sorrento-Mocho-Camarillo associations. Temperatures within the Santa Ynez Valley AVA are generally warmer and less influenced by coastal breezes and fog than the region closer to the coast because the hills to the west of the AVA prevent much of the marine influence from reaching deep into the valley. Even without a heavy marine influence, fog is still common at elevations between 1,000 and 1,200 feet within the Santa Ynez Valley AVA.

The proposed Los Olivos District AVA is located at the center of the Santa Ynez Valley AVA and shares some broad characteristics with the established AVA. Like much of the Santa Ynez Valley AVA, the proposed Los Olivos District AVA receives some marine fog from the Pacific Ocean. However, due to its central location, the proposed AVA is warmer than regions within the western portion of the Santa Ynez Valley AVA (such as the Sta. Rita Hills AVA) and cooler than regions within the eastern portion (such as the Happy Canyon of

Santa Barbara AVA). The fairly level alluvial plain topography of the proposed AVA is more uniform than the topography of the larger Santa Ynez Valley AVA, which also includes mountains and canyons. In contrast to the varied soils of the Santa Ynez Valley AVA, the proposed Los Olivos District AVA soils are predominately from the Positas–Ballard–Santa Ynez association.

Central Coast AVA

The large, 1 million-acre Central Coast AVA was established by T.D. ATF–216, which was published in the **Federal Register** on October 24, 1985 (50 FR 43128). The Central Coast AVA encompasses all or portions of the California counties of Contra Costa, Alameda, San Francisco, San Mateo, Santa Clara, Santa Cruz, San Benito, Monterey, San Luis Obispo, and Santa Barbara, and it contains 28 established AVAs. T.D. ATF–216 describes the Central Coast viticultural area as extending from Santa Barbara to the San Francisco Bay area and east to the California Coastal Ranges. The distinguishing feature of the Central Coast AVA addressed in T.D. ATF–216 is that all of the included counties experience marine climate influence due to their proximity to the Pacific Ocean.

The proposed Los Olivos District AVA, located within Santa Barbara County, is also located within the Central Coast AVA. Marine fog, which is the primary characteristic of the Central Coast AVA, is present within the proposed AVA during the growing season. However, due to its smaller size, the proposed viticultural area has greater uniformity in geographical features, such as topography, climate, and soils, than the larger Central Coast AVA.

TTB Determination

TTB concludes that the petition to establish the approximately 22,820-acre Los Olivos District AVA merits consideration and public comment, as invited in this document of proposed rulemaking.

Boundary Description

See the narrative description of the boundary of the petitioned-for AVA in the proposed regulatory text published at the end of this proposed rule.

TTB notes that although narrative descriptions of AVA boundaries usually follow a clockwise direction, the proposed Los Olivos District AVA boundary description follows a counterclockwise direction in order to align the proposed eastern boundary more easily with the western boundary of the established Happy Canyon of Santa Barbara AVA.

Maps

The petitioner provided the required maps, and they are listed below in the proposed regulatory text.

Impact on Current Wine Labels

Part 4 of the TTB regulations prohibits any label reference on a wine that indicates or implies an origin other than the wine's true place of origin. For a wine to be labeled with an AVA name or with a brand name that includes an AVA name or other term identified as viticulturally significant in part 9 of the TTB regulations, at least 85 percent of the wine must be derived from grapes grown within the area represented by that name or other term, and the wine must meet the other conditions listed in § 4.25(e)(3) of the TTB regulations (27 CFR 4.25(e)(3)). If the wine is not eligible for labeling with an AVA name or other

viticulturally significant term and that name or term appears in the brand name, then the label is not in compliance, and the bottler must change the brand name and obtain approval of a new label. Similarly, if the AVA name or other viticulturally significant term appears in another reference on the label in a misleading manner, the bottler would have to obtain approval of a new label. Different rules apply if a wine has a brand name containing an AVA name or other viticulturally significant term that was used as a brand name on a label approved before July 7, 1986. See § 4.39(i)(2) of the TTB regulations (27 CFR 4.39(i)(2)) for details.

If TTB establishes this proposed AVA, its name, “Los Olivos District,” will be recognized as a name of viticultural significance under § 4.39(i)(3) of the TTB regulations (27 CFR 4.39(i)(3)). TTB also believes that the term “Los Olivos,” standing alone, has viticultural significance, as this name appears to be primarily associated with the grape-growing and wine-producing region of the proposed AVA. Therefore, if TTB establishes this proposed AVA, the term “Los Olivos” also will be recognized as a term of viticultural significance under 27 CFR 4.39(i)(3). The text of the proposed regulation clarifies this point. Consequently, wine bottlers using the name “Los Olivos District” or “Los Olivos” in a brand name, including a trademark, or in another label reference as to the origin of the wine, would have to ensure that the product is eligible to use the AVA name as an appellation of origin if this proposed rule is adopted as a final rule.

The approval of the proposed Los Olivos District AVA would not affect any existing AVA, and any bottlers using “Central Coast” or “Santa Ynez Valley” as

an appellation of origin or in a brand name for wines made from grapes grown within the Central Coast AVA or Santa Ynez Valley would not be affected by the establishment of this new AVA. The establishment of the proposed Los Olivos District AVA would allow vintners to use “Los Olivos District,” “Santa Ynez Valley,” and “Central Coast” as appellations of origin for wines made from grapes grown within the proposed Los Olivos District AVA, if the wines meet the eligibility requirements for the appellation.

Public Participation

Comments Invited

TTB invites comments from interested members of the public on whether it should establish the proposed AVA. TTB is also interested in receiving comments on the sufficiency and accuracy of the name, boundary, soils, climate, and other required information submitted in support of the petition. In addition, given the proposed Los Olivos District AVA’s location within the existing Central Coast AVA and Santa Ynez Valley AVA, TTB is interested in comments on whether the evidence submitted in the petition regarding the distinguishing features of the proposed AVA sufficiently differentiates it from the existing Central Coast AVA and Santa Ynez Valley AVA. TTB is also interested in comments on whether the geographic features of the proposed AVA are so distinguishable from the surrounding Central Coast AVA and Santa Ynez Valley AVA that the proposed Los Olivos District AVA should no longer be part of those AVAs. Please provide any available specific information in support of your comments.

Because of the potential impact of the establishment of the proposed Los Olivos District AVA on wine labels that include the term “Los Olivos District” or “Los Olivos” as discussed above under **Impact on Current Wine Labels**, TTB is particularly interested in comments regarding whether there will be a conflict between the proposed AVA name and currently used brand names. If a commenter believes that a conflict will arise, the comment should describe the nature of that conflict, including any anticipated negative economic impact that approval of the proposed AVA will have on an existing viticultural enterprise. TTB is also interested in receiving suggestions for ways to avoid conflicts, for example, by adopting a modified or different name for the AVA.

Submitting Comments

You may submit comments on this document by using one of the following three methods:

- Federal e-Rulemaking Portal: You may send comments via the online comment form posted with this document within Docket No. TTB–2015–0004 on “Regulations.gov,” the Federal e-rulemaking portal, at <http://www.regulations.gov>. A direct link to that docket is available under Notice No. 148 on the TTB Web site at <http://www.ttb.gov/wine/wine-rulemaking.shtml>. Supplemental files may be attached to comments submitted via Regulations.gov. For complete instructions on how to use Regulations.gov, visit the site and click on the “Help” tab.
- U.S. Mail: You may send comments via postal mail to the Director, Regulations and Rulings Division, Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW., Box 12, Washington, DC 20005.

- Hand Delivery/Courier: You may hand-carry your comments or have them hand-carried to the Alcohol and Tobacco Tax and Trade Bureau, 1310 G Street NW., Suite 200-E, Washington, DC 20005.

Please submit your comments by the closing date shown above in the **DATES** section of this document. Your comments must reference Notice No. 148 and include your name and mailing address. Your comments also must be made in English, be legible, and be written in language acceptable for public disclosure. TTB does not acknowledge receipt of comments, and TTB considers all comments as originals.

In your comment, please clearly state if you are commenting for yourself or on behalf of an association, business, or other entity. If you are commenting on behalf of an entity, your comment must include the entity's name, as well as your name and position title. If you comment via Regulations.gov, please enter the entity's name in the "Organization" blank of the online comment form. If you comment via postal mail or hand delivery/courier, please submit your entity's comment on letterhead.

You may also write to the Administrator before the comment closing date to ask for a public hearing. The Administrator reserves the right to determine whether to hold a public hearing.

Confidentiality

All submitted comments and attachments are part of the public record and subject to disclosure. Do not enclose any material in your comments that you consider to be confidential or inappropriate for public disclosure.

Public Disclosure

TTB will post, and you may view, copies of this document, selected supporting materials, and any online or mailed comments received about this proposal within Docket No. TTB–2015–0004 on the Federal e-rulemaking portal, Regulations.gov, at <http://www.regulations.gov>. A direct link to that docket is available on the TTB Web site at http://www.ttb.gov/wine/wine_rulemaking.shtml under Notice No. 148. You may also reach the relevant docket through the Regulations.gov search page at <http://www.regulations.gov>. For information on how to use Regulations.gov, click on the site’s “Help” tab.

All posted comments will display the commenter’s name, organization (if any), city, and State, and, in the case of mailed comments, all address information, including e-mail addresses. TTB may omit voluminous attachments or material that the Bureau considers unsuitable for posting.

You may also view copies of this document, all related petitions, maps and other supporting materials, and any electronic or mailed comments that TTB receives about this proposal by appointment at the TTB Information Resource Center, 1310 G Street NW., Washington, DC 20005. You may also obtain copies at 20 cents per 8.5- x 11-inch page. Please note that TTB is unable to provide copies of USGS maps or other similarly-sized documents that may be included as part of the AVA petition. Contact TTB’s information specialist at the above address or by telephone at 202–453–2270 to schedule an appointment or to request copies of comments or other materials.

Regulatory Flexibility Act

TTB certifies that this proposed regulation, if adopted, would not have a significant economic impact on a substantial number of small entities. The proposed regulation imposes no new reporting, recordkeeping, or other administrative requirement. Any benefit derived from the use of a viticultural area name would be the result of a proprietor's efforts and consumer acceptance of wines from that area. Therefore, no regulatory flexibility analysis is required.

Executive Order 12866

It has been determined that this proposed rule is not a significant regulatory action as defined by Executive Order 12866 of September 30, 1993. Therefore, no regulatory assessment is required.

Drafting Information

Karen A. Thornton of the Regulations and Rulings Division drafted this notice of proposed rulemaking.

List of Subjects in 27 CFR Part 9

Wine.

Proposed Regulatory Amendment

For the reasons discussed in the preamble, TTB proposes to amend title 27, chapter I, part 9, Code of Federal Regulations, as follows:

PART 9—AMERICAN VITICULTURAL AREAS

1. The authority citation for part 9 continues to read as follows:

Authority: 27 U.S.C. 205.

Subpart C—Approved American Viticultural Areas

2. Subpart C is amended by adding § 9.____ to read as follows:

§ 9.____ Los Olivos District.

(a) Name. The name of the viticultural area described in this section is “Los Olivos District”. For purposes of part 4 of this chapter, “Los Olivos District” and “Los Olivos” are terms of viticultural significance.

(b) Approved maps. The four United States Geological Survey (USGS) 1:24,000 scale topographic maps used to determine the boundary of the Los Olivos District viticultural area are titled:

- (1) Los Olivos, CA, 1995;
- (2) Zaca Creek, Calif., 1959;
- (3) Solvang, CA, 1995; and
- (4) Santa Ynez, CA, 1995.

(c) Boundary. The Los Olivos District viticultural area is located in Santa Barbara County, California. The boundary of the Los Olivos District viticultural area is as described below:

(1) The beginning point is on the Los Olivos map at the intersection of Foxen Canyon Road with California State Road 154 (known locally as San Marcos Pass Road/Chumash Highway), section 23, T7N/R31W.

(2) From the beginning point, proceed southwesterly in a straight line approximately 0.3 mile, crossing onto the Zaca Creek map, to the intersection of Ballard Canyon Road and an unnamed, unimproved road known locally as Los Olivos Meadows Drive, T7N/R31W; then

(3) Proceed south-southeasterly in a straight line approximately 1 mile, crossing onto the Los Olivos map, to a marked, unnamed structure within a circular-shaped 920-foot contour line in the southwest corner of section 26, T7N/R31W; then

(4) Proceed south-southwesterly in a straight line approximately 1.25 miles, crossing onto the Zaca Creek map, to the point marked by the “Ball” 801-foot elevation control point, T6N/R31W; then

(5) Proceed south-southwesterly in a straight line approximately 1.45 miles, crossing onto the Solvang map, to a marked, unnamed 775-foot peak, T6N/R31W; then

(6) Proceed south-southwesterly in a straight line approximately 0.55 mile to a marked communication tower located within the 760-foot contour line, T6N/R31W; then

(7) Proceed south in a straight line approximately 0.6 mile to the intersection of Chalk Hill Road with an unnamed creek descending from Adobe Canyon, northwest of the unnamed road known locally as Fredensborg Canyon Road, T6N/R31W; then

(8) Proceed southwesterly (downstream) along the creek approximately 1 mile to the creek’s intersection with the Santa Ynez River, T6N/R31W; then

(9) Proceed easterly (upstream) along the Santa Ynez River approximately 8 miles, crossing onto the Santa Ynez map, to the river’s intersection with State Highway 154, T6N/R30W; then

(10) Proceed north-northwest in a straight line approximately 1.2 miles to the marked 924-foot elevation point, T6R/R30W; then

(11) Proceed north-northwest in a straight line 1.2 miles to the “Y” in an unimproved road 0.1 mile south of the 800-foot contour line, west of Happy Canyon Road, T6R/R30W; then

(12) Proceed north-northwest in a straight line for 0.5 mile, crossing onto the Los Olivos map, and continuing approximately 2.3 miles to the third intersection of the line with the 1,000-foot contour line northwest of BM 812, T7N/R30W; then

(13) Proceed westerly along the meandering 1,000-foot contour line to the contour line’s intersection with an unnamed, unimproved road, an unnamed light-duty road, and the northern boundary line of section 23, T7N/R31W; then

(14) Proceed northerly, then westerly, along the unnamed, unimproved road to Figueroa Mountain Road, near the marked 895-foot elevation, T7N/R31W; then

(15) Proceed north on Figueroa Mountain Road approximately 400 feet to the 920-foot contour line, T7N/R31W; then

(16) Proceed initially south, then northeasterly along the meandering 920-foot contour line, crossing onto the Zaca Creek map, to Foxen Canyon Road, T7N/R31W; then

(17) Proceed southeasterly on Foxen Canyon Road approximately 1.7 miles, crossing onto the Los Olivos map, returning to the beginning point.

Dated: February 23, 2015.

John J. Manfreda,

Administrator.

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